




<b>TRANSMITTAL OF APPEAL BRIEF (Large Entity)</b>			Docket No. <b>JP920000234US1</b>
In Re Application Of: <b>Mittal et al.</b>			
Serial No. <b>09/686,641</b>	Filing Date <b>October 10, 2000</b>	Examiner <b>Jeffrey D. Carlson</b>	Group Art Unit <b>3622</b>
Invention: <b>DYNAMIC ON-LINE LEARNING SYSTEM FOR ELECTRONIC COUPONS USING ON-LINE AUCTIONS</b>			
<p style="text-align: center;"><u><b>TO THE COMMISSIONER FOR PATENTS:</b></u></p> <p>Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on <b>January 19, 2005</b></p> <p>The fee for filing this Appeal Brief is: <b>\$500.00</b></p> <p><input type="checkbox"/> A check in the amount of the fee is enclosed.</p> <p><input type="checkbox"/> The Director has already been authorized to charge fees in this application to a Deposit Account.</p> <p><input checked="" type="checkbox"/> The Director is hereby authorized to charge any fees which may be required, or credit any overpayment to Deposit Account No. <b>09-0441</b></p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div style="width: 45%;"> <i>Signature</i></div><div style="width: 45%; text-align: right;"><p>Dated: <u><b>March 19, 2005</b></u></p> <div style="border: 1px solid black; height: 150px; width: 100%;"></div></div></div> <div style="margin-top: 20px;"><b>Mohammad S. Rahman, Esq.</b> <b>Registration No. 43,029</b> <b>McGinn &amp; Gibb, PLLC</b> <b>2568-A Riva Road, Suite 304</b> <b>Annapolis, MD 21401</b> <b>(301) 261-8625 - telephone</b> <b>Customer No. 29154</b></div> <div style="margin-top: 20px;">cc:</div>			

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BOARD OF PATENT APPEALS AND INTERFERENCES**

In re patent application of  
Mittal, et al.  
Serial No. 09/686,641

Filed: October 10, 2000

Group Art Unit: 3622

Atty. Docket No.: JP920000234US1

Examiner: Carlson, Jeffrey D.

For: DYNAMIC ON-LINE LEARNING SYSTEM FOR ELECTRONIC  
COUPONS USING ON-LINE AUCTIONS

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**APPELLANTS' APPEAL BRIEF**

Sirs:

Appellants respectfully appeal the final rejection of claims 1-61 in the Office Action dated October 21, 2004. A Notice of Appeal was timely filed on January 19, 2005.

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#### **I. REAL PARTY IN INTEREST**

The real party in interest is International Business Machines Corp., Armonk, New York, assignee of 100% interest of the above-referenced patent application.

#### **II. RELATED APPEALS AND INTERFERENCES**

There are no other appeals or interferences known to Appellants, Appellants' legal representative or Assignee which would directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

#### **III. STATUS OF CLAIMS**

Claims 1-5, 7-18, 20-24, 26-37, 39-43, 45-56, and 58-61 are all the claims pending in the application and are set forth fully in the attached appendix. Claims 1-61 were originally filed in the application. A first Office Action was issued on March 29, 2004 rejecting claims 1-61. Appellants filed an Amendment under 37 C.F.R. §1.111 on June 28, 2004 amending all of the claims (claims 1-61). An after-final Office Action was issued on October 21, 2004 rejecting claims 1-61. Appellants filed an Amendment under 37 C.F.R. §1.116 on December 10, 2004 further amending claims 1, 20, and 39 and cancelling claims 6, 19, 25, 38, 44, and 57. An Advisory Action was issued on January 7, 2005 rejecting claims 1-61.

Claims 1-18, 20-37, 39-56 and 58-61 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Freeny, Jr. (U.S. Patent No. 6,513,016), hereinafter referred to as "Freeny" in view of Godin et al. (U.S. Patent No. 5,890,138), hereinafter referred to as "Godin". Claims 19, 38 and 57 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Freeny in view of Godin and Schulze, Jr. (U.S. Patent No. 6,497,360), hereinafter referred to as "Schulze".

#### **IV. STATEMENT OF AFTER-FINAL AMENDMENTS**

An after-final Office Action dated October 21, 2004 stated all the pending claims 1-61 were rejected. Appellants filed an Amendment under 37 C.F.R. §1.116 on December 10, 2004 further amending claims 1, 20, and 39 and cancelling claims 6, 19, 25, 38, 44 and 57. An Advisory Action was issued on January 7, 2005 rejecting claims 1-61. The claims shown in the appendix are shown in their amended form as of the December 10, 2004 amendment.

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## V. SUMMARY OF THE INVENTION

The Appellants' invention is described in pages 3 through 20 of the specification and shown in Figures 1 through 3 of the application as originally filed, whereby an object of Appellants' invention is to overcome the disadvantages of existing systems of defining coupon schemes by utilizing demand data from online auction sources.

To achieve the objective, Appellants' invention provides a computing system comprising at least one processor, associated memory, storage and input/output devices, wherein the computing system is connected to a network of computing systems and is used to generate promotional scheme parameters for electronic coupons. The computing system further includes means for automatically obtaining market demand data from defined sources of online auctions, means for conducting online auctions using defined parameters for specified goods and/or services for getting market information, and means for storing and analyzing the data obtained from the online auctions or the conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons.

The means for obtaining demand data from online auction includes the ability to access different types of auctions such as sealed-bid auctions, open-cry auctions, Dutch auctions, and reverse auctions. The means for obtaining the demand data from online auctions is through software means to start capturing the demand data from the time the auction starts to the time it ends. The demand data comprises of the names of products or services being auctioned, the bids from a plurality of bidders participating in an auction, the reserve prices of the auction, the duration of the auction, the total number of bids received for each product or service, market segment of the bidders.

The demand data further includes the information specific to particular auction types such as the opening price and the successive decrements in case of descending ("Dutch") auctions. The means for storing and analyzing the demand data is a statistical means that generates the promotion scheme parameters for different market segments. The statistical means includes means for estimating the market demand curve and the price elasticity for an auction item or product or service from a plurality of demand data sources, and means for determining if an item or product or service is amenable to price discrimination based on the estimated demand curve and price elasticity.

The promotion scheme parameters include the collection of items or products or services

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to be discounted, the amount of discount, the nature of discount, market segment for the promotion scheme, duration of promotion scheme, and identification of methods of offering the scheme. The means for estimating the market demand curve is by considering the fractional demand at a particular price, the fraction of population that is willing to pay the price, computing the product of the fractional demand and the demand at zero price; i.e., the size of the market willing to buy the product at zero price.

The computing system further comprises means for suggesting the discounting of a substitute of the product or item or service being auctioned. The item being auctioned is a competitor's item and the substituted product is promoter's own. The means for obtaining the demand data includes the ability to cover multiple market segments and suggest a promotion scheme targeted at different market segments.

The computing system further includes means for suggesting discounting of a cross selling or an up selling product to the product being auctioned. The means for estimating the demand curve uses the winning bid and the highest bids of all the bidders for the case of open-cry or ascending auctions while for the descending auctions namely, Dutch auctions only the winning bid is used.

The means for estimating the market demand curve for an individual item uses demand data where multiple units of items are auctioned. The means for estimating market demand curve uses the quantity demanded by an individual buyer at various price levels. The means for estimating the market demand curve information from the online auctions is used to determine the decrement size in a descending or Dutch auction.

The computing system further includes means for the user to configure the sources of online demand data as well as the parameters for conducting online auctions on a plurality of products on specified URIs. The means for storing and analyzing the demand data also receives the data from the electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve the promotional parameter estimation system.

The Appellants' invention further provides a method for generating promotional scheme parameters using electronic coupons, wherein the method includes automatically obtaining market demand data from defined sources of online auctions, conducting online auctions using defined parameters for specified goods and/or services, and storing and analyzing the market demand data obtained from the online auctions or the conducted auctions to estimate demand and

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calculate promotion scheme parameters for issue of redeemable electronic coupons.

Furthermore, the Appellants' invention includes a computer program product comprising computer readable program code stored on computer readable storage medium embodied therein for causing a computer to generate promotional scheme parameters using electronic coupons comprising computer readable program code means configured for automatically obtaining market demand data from defined sources of online auctions, computer readable program code means configured for conducting online auctions using defined parameters for specified goods and/or services, computer readable program code means configured for storing and analyzing the data obtained from the online auctions or the conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons.

## **VI. ISSUES PRESENTED FOR REVIEW**

The issues presented for review by the Board of Patents Appeals and Interferences are whether claims 1-18, 20-37, 39-56 and 58-61 are unpatentable under U.S.C. §103(a) as being unpatentable over Freeny in view of Godin and Schulze and concepts identified under Official Notice.

## **VII. GROUPING OF THE CLAIMS**

As supported by the following arguments, the claims are each independently patentable and do not stand or fall together. More specifically, the dependent claims are patently distinct from the independent claims from which they depend because each dependent claim defines additional features which are not defined in the independent claims or which are defined more broadly in the independent claims. As discussed in greater detail below, the features defined by the dependent claims are not merely illustrations or examples but include patentable features which prevent the dependent claims from standing or falling with their associated independent claim.

## **VIII. ARGUMENT**

### **A. The Prior Art Rejections Based on 35 U.S.C. §103(a)**

#### **1. The Position in the Office Action**

The Office Action indicates that with regard to claims 1, 4-6, 18, and 58-61, Freeny

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teaches a computerized system that monitors sales, demand and inventory supply and dynamically adjusts pricing. According to the Office Action, the system in Freeny enables advertising/promotional pricing using coupons that can be printed for customers and redeemed. The Office Action states that the coupon system in Freeny generates coupons that are dynamically priced as determined by the system [abstract, 4:4-11, 6:32-37, 7:35-37, 11:1 6-27]. The coupon system in Freeny, as interpreted by the Office Action, is taken to be electronic as the coupon data is stored on the computer and can be electronically changed. Further, according to the Office Action, the coupons include UPC codes which are electronically scanned upon redemption.

The Office Action suggests that while Freeny teaches several data inputs to the price determination system, he does not teach the use of auction data. However, the Office Action suggest that Godin teaches an online computer auction system which is used to sell goods. According to the Office Action, Godin teaches that a feature of the auctions is the ability to track the price/demand nature of the product. This, according to the Office Action, provides valuable information to the manufacturer, instead of detailed testing, businesses can use auction data to determine price and demand information for specified products and a price demand curve can be created [7:60-8:5]. According to the Office Action, it would have been obvious to one of ordinary skill at the time of the invention to have looked to any source of pricing/demand data as an input to the system of Freeny including the auction-based data of Godin in order to create promotional pricing based upon a rich collection of price/demand data thereby creating more effective promotional pricing.

Regarding the auction-related parameters comprising non-quantitative attributes, Godin, as interpreted by the Office Action, teaches the collection and storage of user data such as name, address, city, province, postal code email address, telephone. This data is used in the online auction process, and according to the Office Action, each of these is taken to be a "non-quantitative attribute of a bidder." The Office Action goes on to indicate that while postal code and telephone fields each comprise numeric digits, the data is numeric code representing qualitative information such as the general area of location (area code) or more specific area of location (postal code). The Office Action posits that area codes and postal codes are often classified as demographic data and taken to be qualitative.

Even though this data is stored using digits, the information is not quantitative and it

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would never be used in arithmetic calculations as quantitative values (such as price, tax rates, etc) would be according to the Office Action. Nonetheless a person's name is clearly non-quantitative and represents a cultural attribute of that person as suggested by the Office Action. A person's city is non-quantitative and represents a cultural attribute of that person according to the Office Action. Culture is such a broad term that any characteristic can be used to define a culture; the types of people using American Express cards can be said to belong to a credit card culture different than Visa card holders according to the Office Action. The type of credit card is non-quantitative data according to the Office Action.

As indicated in the Office Action, the "for getting market information" language is taken to be functional language and intended use and does not provide a positive limitation. Nonetheless, the combination provides an auction process and system for getting market information (price/demand data) so that promotional pricing can be dynamically created in the form of coupons as indicated in the Office Action.

Regarding claims 2, 3, and 17, the Office Action indicates that it would have been obvious to one of ordinary skill at the time of the invention to have electronically captured valuable auction data input for any well known auction types (such as Dutch auction, reverse auction, etc), so as to base pricing on a wide range of data in an automated manner.

Regarding claims 7, 9, and 14-16, the Office Action posits that the demand curves taught by Freeny inherently provide price elasticity based on the results of the auctions for a plurality of products and a plurality of quantities. The Office Action states that Official Notice is taken that it is well known to estimate demand curves in such a manner and it would have been obvious to one of ordinary skill at the time of the invention to have done so in order to model the price/demand data and determine an optimized promotion pricing. Regarding claim 16, the Office Action states that a price demand curve inherently associates quantities demanded and price, for a collection of individual buyers.

Regarding claim 8, the Office Action indicates that promotion coupon and advertising campaigns typically include such claimed parameters and it would have been obvious to one of ordinary skill at the time of the invention to have provided them in order to provide an effective promotion.

Regarding claims 10, 11, and 13, the Office Action states that Official Notice is taken that providing promotion pricing to encourage switching from a competitors product, and cross-

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selling and up-selling are well known marketing techniques; such would have been obvious to have employed in order to accomplish sales, as suggested by the Office Action.

Regarding claim 12, the Office Action concludes that plural auctions for different products can inherently define different segments based on the product type. According to the Office Action, a marketer could define segments in any imaginable way for a plurality of products. According to the Office Action, claims 21-38 and 39-57 are each rejected following the same reasoning as per claims 1-19 above.

With respect to claim 18, the Office Action suggests that selecting and providing the suggested auction-data input to the computerized pricing system functionality in order to output pricing decision and actions is taken to allow a user to "configure" the data sources. The Office Action goes on to state that the user implementing/building/programming the system of Godin determines which bidder data fields are required to use the auction system.

With respect to claims 19, 38, and 57, the Office Action indicates that Schulze teaches an electronic coupon promotional system where the coupon output is used as an input to the coupon system in order to provide a feedback loop to improve the system [abstract]. According to the Office Action, it would have been obvious to one of ordinary skill at the time of the invention to have fed back the results of the coupon system of Freeny/Godin as a closed loop system in order to improve results and provide a system that learns.

Regarding claim 58, the Office Action suggests that the system is taken to inherently "learn" about online markets by mining information from current and past operations of similar online markets. Regarding claim 59, the Office Action indicates that Freeny teaches that the system monitors inventory levels and can adjust pricing, accordingly. According to the Office Action, this is taken to provide optimal inventory management. Regarding claim 60, Office Action suggests that the proposed combination provides an online electronic coupon generation system. Regarding claim 61, the Office Action concludes that it would have been obvious to one of ordinary skill at the time of the invention to have sold the marketing research to other firms so that they may use the same techniques to price, promote and sell their products.

## **2. The Freeny Reference**

Freeny teaches an automated product pricing system including a physical store system, a virtual store system, and a control system. The physical and virtual store systems are capable of

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transmitting sales data indicative of the number of sales of identified respective products. The control system is adapted to receive the sales data from the physical store system and the virtual store system. In response thereto, the control system generates price change data including a changed price of an identified product based on the sales data received from at least one of the physical and virtual store systems. The price change data is then transmitted by the control system to at least one of the physical and virtual store systems to thereby change the price of the identified product.

### **3. The Godin Reference**

Godin teaches an auction system is disclosed which allows users to participate using their own computers suitably connected to the auction system. Preferably, this connection uses the Internet. Godin involves a method and system for providing rapid feedback of a reverse auction process and removes the user from the process once an indication to purchase has been received. Rapid feedback in combination with security of information is achieved with the method and auction system.

### **4. The Schulze Reference**

Schulze teaches a method and apparatus for accurately collecting and promptly reporting information in connection with the redemption of manufacturer coupons. The method includes the collection of information from a retailer point-of-sale system, and the examination of redeemed coupons. Where matches between product sales, discounts to consumers and redeemed coupons can be made, payment to the retailer of discounts extended to consumers in exchange for manufacturer authorized coupons is immediately made following such verification. In addition, information concerning the redemption of coupons is made available to manufacturers to enable them to adjust promotions to achieve the desired marketing effect. The apparatus may comprise a central processing unit and attached peripherals capable of interfacing with a retailer point-of-sale system and downloading information from the point-of-sale system, together with secure storage for holding coupons that are to be verified by the apparatus.

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**B. Appellants' Position**

**1. Independent Claims 1, 20, and 39**

Appellants respectfully traverse the rejections in the Office Action of independent claims 1, 20, and 39 based on the following discussion. The claimed invention, as provided in independent claims 1, 20, and 39 contain features, which are patentably distinguishable from the prior art references of record. Specifically, the independent claims 1, 20, and 39 include, in part, "means for automatically obtaining market demand data from defined sources of online auctions, means for conducting online actions using defined parameters for specified goods and/or services for getting market information, wherein said parameters comprise non-quantitative attributes comprising cultural attributes of bidders of said online auctions, means for storing and analyzing the data obtained from said online auctions or said conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons, wherein said means for storing and analyzing the demand data is a statistical means that generates the promotion scheme parameters for different market segments and receives the data from an electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve generation of said promotion scheme parameters, and means for generating said redeemable electronic coupons." There would simply be no motivation for one of ordinary skill in the art to combine Freeny, Godin, and Schulze together to try and teach the claimed invention. In Appellants' amendment of December 10, 2004, the independent claims 1, 20, and 39 were amended to include the limitations of previous dependent claims 19, 38, and 57 (now cancelled), and which were previously rejected by the Office Action of October 21, 2004 as being unpatentable over Freeny in view of Godin and Schulze.

Furthermore, Freeny in combination with Godin and Schulze is legally unjustified, especially since each of Freeny, Godin, and Schulze take mutually exclusive paths to solve wholly unique solutions, and do not provide motivation for combination with one another. Insofar as references may be combined to teach a particular invention, and the proposed combination of Freeny with Godin, and Freeny with Godin and Schulze, case law establishes that, before any prior-art references may be validly combined for use in a prior-art 35 U.S.C. § 103(a) rejection, the individual references themselves or corresponding prior art must suggest that they be combined.

For example, in In re Sernaker, 217 USPQ 1, 6 (C.A.F.C. 1983), the court stated:

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"[P]rior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings." Furthermore, the court in Uniroyal, Inc. v. Rudkin-Wiley Corp., 5 USPQ 2d 1434 (C.A.F.C. 1988), stated, "[w]here prior-art references require selective combination by the court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself. . . . Something in the prior art must suggest the desirability and thus the obviousness of making the combination."

In the present application, the reason given to support the proposed combination is improper, and is not sufficient to selectively and gratuitously substitute parts of one reference for a part of another reference in order to try to meet, but failing nonetheless, the Appellants' novel claimed invention. Furthermore, the claimed invention, as amended, meets the above-cited tests for obviousness by including embodiments such as using non-quantitative parameters for obtaining market information and the electronic coupon issuing feedback system. As such, all of the claims of this application are, therefore, clearly in condition for allowance, and it is respectfully requested that the Board pass these claims to allowance and issue.

As declared by the Federal Circuit:

In proceedings before the U.S. Patent and Trademark Office, the Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. The Examiner can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. In re Fritch, 23 USPQ 2d 1780, 1783 (Fed. Cir. 1992) citing In re Fine, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988).

Here, the Examiner has not met the burden of establishing a prima facie case of obviousness. It is clear that, not only does Freeny fail to disclose all of the elements of the claims of the present invention, particularly, the non-quantitative parameters for obtaining market information such as cultural attributes, as discussed above, but also, if combined with Godin and/or Godin with Schulze, fails to disclose these elements as well. The unique elements of the claimed invention are clearly an advance over the prior art.

The Federal Circuit also went on to state:

The mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification. . . . Here the Examiner relied upon hindsight to arrive at the determination of obviousness. It is impermissible to use the

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claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Fritch at 1784-85, citing In re Gordon, 221 USPQ 1125, 1127 (Fed. Cir. 1984).

Here, there is no suggestion that Freeny, alone or in combination with Godin or with Godin and Schulze teaches a method and apparatus containing all of the limitations of the claimed invention. Consequently, there is absent the "suggestion" or "objective teaching" that would have to be made before there could be established the legally requisite "prima facie case of obviousness."

Graham v. John Deere Co., 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545, U.S.P.Q. 459 (1966) provides the correct factual inquiries which establish a background for determining obviousness under 35 U.S.C. §103(a). The cited tests clearly indicate that the claimed invention is unobvious in light of Freeny, Godin, and Schulze.

First, the scope and content of each of Freeny, Godin, and Schulze are clearly different from the claimed invention (see section VIII. A. 2-4 above). These references are each different and wholly unique from the claimed invention, as Freeny generally describes an advertising technique, Godin generally describes an auction system, and Schulze generally describes a coupon system. Conversely, the claimed invention is directed to a system and method for generating promotional scheme parameters for electronic coupons using market demand data from online auctions. Thus, while the claimed invention incorporates aspects of each of auction, advertising, and coupon systems, they are clearly not the sole focus of the claimed invention. Furthermore, the prior art references do not discuss the market segment of the bidders being an important input to the promotional scheme design, whereas the claimed invention discusses how the market segment of the bidders from whom the demand curve is being determined be used to decide the market segment for electronic coupon distribution. In fact, different market segments may behave differently and this information is very useful to decide the discount value and time period for different market segments. Furthermore, the prior art does not discuss using multiple sources of demand data to arrive at promotional scheme parameters, which the claimed invention does. Thus, the scope and content of the prior art references are each unique from the claimed invention.

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Second, there are significant elements of the claimed invention, which are neither taught nor suggested in each of Freeny, Godin, and Schulze. For example, Freeny's advertising system provides a pricing system based on purchasing trends of shoppers. Conversely, the claimed invention uses the market data to establish parameters for issuing redeemable coupons. Thus, the establishment of pricing structures for various goods is a different concept than generating coupons based on market demand data. In another example, Godin's auction system provides an auction for selling goods but does nothing to consolidate data from the auction to further a business model. Conversely, the claimed invention uses data obtained from online auctions to determine promotion scheme parameters for the subsequent issuance of redeemable electronic coupons. Furthermore, Schulze's coupon system does nothing to improve the generation of promotional scheme parameters used to generate electronic coupons.

Third, the level of one of ordinary skill in the art is that of a programmer who works in information systems. Thus, such an individual, at the time of the invention, would not find the claimed invention obvious in light of Freeny, Godin, and Schulze. In fact, it is unlikely that such an individual would have thought to combine the separate and distinct teachings in Freeny, Godin, and Schulze to yield the claimed invention. Furthermore, the Appellants' invention requires knowledge in four distinct areas: (1) economics; (2) marketing; (3) productions and operations management (POM); and (4) computer programming. The level of one of ordinary skill in the art is that of a typical computer programmer, who most likely does not have the requisite business and POM background to understand how the economics of demand data ties into the marketing aspects of auction types and using that information to program a computer system that is capable of processing a combination of that information. Again, the standard is one of ordinary skill in the art, not four individuals collectively skilled in the art. The Federal Circuit has indicated that a person of ordinary skill in the art is a hypothetical person. Custom Accessories Inc. v. Jeffrey-Allan Indus., 807 F.2d 955, 1 USPQ 2d 1196, 1201 (Fed. Cir. 1986). Surely, if the Federal Circuit had intended for the scope of "one of ordinary skill in the art" to mean more than one person, then they would have explicitly said so. As such, the standard is a hypothetical person not "more than one" hypothetical "people". Nonetheless, even if such a hypothetical individual existed and were to be so motivated, he/she would still fail to yield the claimed invention based on the combination of Freeny, Godin, Schulze, and so-called "well-known" precepts as discussed above, and further discussed below.

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Fourth, the manipulation of three separate and individually complex formulations which are provided in each of the prior art references, Freeny, Godin, and Schulze, individually, would not likely be easily combined by one of ordinary skill in the art in the manner suggested in the Office Action, let alone, in the manner provided by the claimed invention, which is indicative of the claimed invention being unobvious in light of Freeny, Godin, and Schulze. Additionally, the fact that three separate and distinct references must be combined to try and teach the invention, but failing nonetheless, is indicative of the claimed invention being unobvious. In fact, the USPTO has classified (based on the U.S. classification and international classification identifiers) the invention taught in Schulze differently than either Freeny or Godin. This strongly indicates that the references are non-analogous.

Thus, the claimed invention, as amended, meets the above-cited tests for obviousness by including embodiments such as storing and analyzing of the demand data is by a statistical method/means that generates the promotion scheme parameters for different market segments, and wherein storing and analyzing the demand data receives the data from an electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve generation of said promotion scheme parameters. As such, all of the claims of this application are, therefore, clearly in condition for allowance, and it is respectfully requested that the Board pass these claims to allowance and issue.

Furthermore, Appellants strongly suggest that Freeny says nothing regarding generating market information using parameters associated with bidders of online auctions. In fact, all of the parameters associated with the advertising system in Freeny relate to quantitative data relating to inventory, time spent at the on-line store, amount purchased, and price. For example, col. 11, lines 27-40 of Freeny state, "The owner control system 12 receives sales and inventory data from the physical store systems 14 and/or the virtual store system 18. The sales and inventory data is indicative of product purchases, rate of product purchases and the remaining inventory at the physical store systems 14 and/or the virtual store system 18. Based on the sales and inventory data, the owner control system 12 is programmed to automatically output order data to order products from the product suppliers associated with the product supplier systems 16. The order data can be individualized for each of the physical store systems 14 and/or the virtual store system 18 so that the ordered products are shipped from the suppliers to the correct locations." As such, there is nothing in Freeny that suggests other non-quantitative factors are

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used to provide targeted advertising or for generating coupons.

Furthermore, col. 3, lines 14-33 of Freeny indicates that the inventors in Freeny envisioned that the owner control system 12 communicates with the physical store systems 14, and that the physical store systems 14 are located in physical locations such as shelves, boxes, slots, or other storage areas in retail supermarkets, drug stores, supply stores, inventory stocking areas, assembly sites, warehouses, or distribution facilities. Conversely, the claimed invention automatically obtains "market demand data from defined sources of online auctions." Such data is not derived from a physical location as in Freeny, but rather in a non-physical online auction. Again, Freeny specifically refers to "physical locations" and that the Freeny system is "envisioned" to be adaptable in physical locations and not in non-physical locations such as online auctions. While, the online auctions take place using computers, which are physical devices, it is the actual online auction (non-physical) which provides the data input from which electronic coupons are generated in the claimed invention. Thus, Freeny actually teaches away from the claimed invention and actually tends to suggest an undesirable combination with an auction system such as the one provided in Godin.

Similarly, Godin is also bereft of any language relating to non-quantitative parameters used in generating market information. As with Freeny, all of the parameters associated with the auction system in Godin relate to quantitative data relating to price, quantity of product available, and time intervals relating to the auction and the goods offered in the auction. For example, step 78 in Figure 2 of Godin suggests that the auction system in Godin gathers personal information. However, col. 4, lines 45-47 in Godin suggest that this personal information only relates to the user's "credit card number and expiry date." Furthermore, col. 7, lines 15-21 in Godin suggest storing user data in a database, whereby the data includes the "user's name and address and E-mail address, as well as credit card information." All of these parameters constitute quantitative parameters. As such, there is nothing in Godin that suggests other non-quantitative factors are used to provide targeted advertising or for generating coupons.

Likewise, Schulze does not teach or suggest using non-quantitative parameters for generating market information. In the coupon system in Schulze, there is no teaching relating any parameters attributed with the consumer's personal information/data to the coupon generation process. In fact, Schulze only very generically describes storing consumer data in the form of consumer identity "in connection with the sale of the product" (see col. 7 line 67 to col.

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8 line 7 in Schulze). As such, there is nothing in Schulze that suggests parameters at all, let alone non-quantitative factors, are used to provide targeted advertising or for generating coupons.

Additionally, there is no suggestion in Freeny, Godin, or Schulze how non-quantitative factors could be stored, and most importantly, considered by the respective systems for generating coupons. This is truly a unique feature of the claimed invention, which is able to garner this type of information, store it, process it, and use it for generating coupons. Thus, even if Freeny were combined with Godin or if Freeny were combined with both Godin and Schulze, it would still fail to teach or suggest to one of ordinary skill in the art how this generation of coupons would occur given an input of non-quantitative parameters.

The Office Action suggests that "[the word] culture is such a broad term that any characteristic can be used to define a 'culture'." However, the Merriam-Webster dictionary generally defines "culture" as:

The integrated pattern of human knowledge, belief, and behavior that depends upon man's capacity for learning and transmitting knowledge to succeeding generations; the customary beliefs, social forms, and material traits of a racial, religious, or social group; the set of shared attitudes, values, goals, and practices that characterizes a company or corporation.

The Office Action suggests that a person's name and city are considered to be cultural attributes of a person. However, based on the above-recited definition provided by a reference that is generally considered to be an acceptable and standard reference, it is evident that the interpretation of "cultural" provided in the Office Action is erroneous, overbroad, and legally unjustified.

In view of the foregoing, the Appellants respectfully submit that the cited prior art references do not teach or suggest the features defined by independent claims 1, 20, and 39 and as such, claims 1, 20, and 39 are patentable over Freeny alone or in combination with Godin or with Godin and Schulze.

**2. Dependent claims 2-5, 7-18, 21-24, 26-37, 40-43, 45-56, and 58-61**

Appellants respectfully traverse the rejections in the Office Action of dependent claims 2-5, 7-18, 21-24, 26-37, 40-43, 45-56, and 58-61 based on the following discussion. Dependent

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claims 2, 21, and 40 generally provide, "wherein the means for obtaining demand data from online auction includes [an] ability to access different types of auctions including sealed-bid auctions, open-cry auctions, Dutch auctions and reverse auctions." First, Freeny does not teach auction methodologies or auction systems. Second, Godin would not be combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above. Third, Godin does not specifically address accessing different types of auctions, let alone accessing sealed-bid, open-cry, or Dutch auctions. In fact, the only practical references to Dutch auctions or silent auctions in Godin are in the Background section when referring to different types of auctions. However, the description of the auction system disclosed in Godin is bereft of any language relating to how its system would function with the different types of auction systems. In fact, Godin merely refers to "auctions" in the generic sense and does not describe the specifics of the types of auctions its system can work with. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 2, 21, and 40 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 2, 21, and 40.

Dependent claims 3, 22, and 41 generally provide, "wherein said means for obtaining the demand data from online auctions is through software means to start capturing the demand data from the time the auction starts to the time it ends." First, Freeny does not teach auction methodologies or auction systems. Second, Godin would not be combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 3, 22, and 41 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 3, 22, and 41.

Dependent claims 17, 36, and 55 generally provide, "wherein said means for estimating the market demand curve information from the online auctions is used to determine the decrement size in a descending or Dutch auction." First, Freeny does not teach auction methodologies or auction systems. Second, Godin would not be combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above. Third, Godin does not specifically address descending or Dutch auctions. Again, Godin merely refers to "auctions" in the generic sense and does not describe the specifics of the types of auctions its system can work with including whether its auction system can work with Dutch auctions. Therefore, neither Freeny

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nor Godin teach all of the elements of dependent claims 17, 36, and 55 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 17, 36, and 55.

The Office Action suggests that it would have been obvious to combine all of these features (of claims 2, 3, 17, 21, 22, 36, 40, 41, and 55) so as to base pricing on a wide range of data in an automated manner. However, Appellants assert that it would not have been obvious at the time of the invention to obtain demand data from different types of [online] auctions. It is important to remember that at the time of the filing of Appellants' application, October 10, 2000, online auctioning was still relatively unrefined. While different auction sites may have existed, there was no previous system or method which was capable of accessing data from the several different types of auctions, and one of the reasons for this is because each online auction site worked independently of one another and were often configured differently. That is, the online presentation was configured differently for each of the various auction sites. Thus, the ability to have one system being able to access differently configured online auction sites, coherently read data, coherently retrieve the data, and coherently store the data on its own system was clearly not established, nor would one of ordinary skill in the art readily understand how to undertake such a significant task until the Appellants' invention.

Furthermore, even if one of ordinary skill in the art would find it obvious to retrieve data from parts of some auctions, it is doubtful that the totality of the demand data could be parsed from various online auctions. That is, the totality of the data from the time the various auctions started until they ended. Clearly, such a task is an overwhelming achievement, which only the Appellants' invention has provided. Those skilled in the art would not find such features obvious due to the technological breadth associated with such features. Next, one of ordinary skill in the art would hardly find it obvious to use the estimations of the market demand curve information from various online auctions to determine the decrement size in a descending or Dutch auction. These types of auctions are specific types of auctions and the ability to link estimations of market demand curve information to the decrement size in these types of data requires knowledge in four distinct areas: (1) economics; (2) marketing; (3) productions and operations management (POM); and (4) computer programming. The level of one of ordinary skill in the art is that of a typical computer programmer, who most likely does not have the requisite business or POM background to understand how the economics of demand data ties

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into the marketing aspects of auction types and using that information to program a computer system that is capable of processing a combination of that information. The standard is one of ordinary skill in the art, not four collective individuals collectively skilled in the art. Therefore, dependent claims 2, 3, 17, 21, 22, 36, 40, 41, and 55 are patentable over Freeny in view of Godin. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 2, 3, 17, 21, 22, 36, 40, 41, and 55.

Claims 4, 23, and 42 generally provide, "wherein the demand data comprises of the names of products or services being auctioned, the bids from a plurality of bidders participating in an auction, the reserve prices of the auction, the duration of the auction, the total number of bids received for each product or service, market segment of the bidders." The Office Action does not specifically address where in Freeny in view of Godin such features are described. Clearly, Freeny cannot teach these features because Freeny deals with an advertising system providing a pricing system based on purchasing trends of shoppers. Freeny has nothing to do with auctions. Godin does not specifically describe considering the market segment of the bidders of the auction. Additionally, Godin would not be combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above. Thus, combining Freeny with Godin does not teach or render obvious the Appellants' claimed invention because neither Freeny nor Godin teach all of the elements of dependent claims 4, 23, and 42 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 4, 23, and 42.

Claims 5 and 24 generally provide, "wherein the demand data further includes the information specific to particular auction types such as the opening price and the successive decrements in case of descending ("Dutch") auctions. Again, Freeny clearly does not address auction methodologies or auction systems. Furthermore, Godin, which is not justifiably combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above, does not specifically address implementing descending (Dutch) auctions with its auction system. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 5 and 24 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 5 and 24.

The final Office Action of October 21, 2004 takes as Official Notice several elements provided by the Appellants' claimed invention. In particular, the Office Action uses Official

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Notice to reject claims dependent claims 7, 9-11, 13-16, 26, 28-30, 32-35, 45, 47-49, and 51-54. MPEP §2144.03 provides that an "examiner may take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being 'well-known' in the art," quoting *In re Ahlert*, 424 F.2d 1088, 165 USPQ 418, 420 (CCPA 1970). However, Appellants challenge how well-known it is to (1) estimate the market demand curve and the price elasticity for an auction item or product or service from a plurality of demand data sources as in the claimed invention; (2) suggest the discounting of a substitute of the product or item or service being auctioned as in the claimed invention; (3) suggest that the item being auctioned is a competitor's item and the substituted product is promoter's own [item] as in the claimed invention; and (4) suggest discounting of a cross selling or an up selling product to the product being auctioned as in the claimed invention.

In Appellants' previous amendment filed on December 10, 2004, Appellants respectfully made a demand for evidence which supports the proposition asserted in the Office Action as to the whether the above-identified elements are in fact well-known. However, no evidence in support of these assertions was ever provided by the Examiner. MPEP §2144.03 indicates that the Examiner must provide evidence in the next Office Action. In this case, the Examiner had an opportunity to provide evidence in the Advisory Action issued January 7, 2005, but chose not to. MPEP §2144.03 goes on to indicate that "assertions of technical facts in areas of esoteric technology must always be supported by citation of some reference work" and "allegations concerning specific 'knowledge' of the prior art, which might be peculiar to a particular art should also be supported." The Appellants suggest that the claimed invention may constitute esoteric technology, and as such requires support by citation of some reference work by the Examiner. Moreover, MPEP §2144.03 further states that "[t]he facts so noticed serve to 'fill the gaps' which might exist in the evidentiary showing and should not comprise the principle evidence upon which a rejection is based." Appellants suggest that the Office Action has used the so-called well-known facts as the principle evidence to make its rejection and not merely to "fill the gaps". Therefore, because the Examiner has not properly provided evidence as required by MPEP §2144.03, the rejections to claims 7, 9-11, 13-16, 26, 28-30, 32-35, 45, 47-49, and 51-54 based on Official Notice are improper and should be withdrawn.

Claims 7, 26, and 45 generally provide, "wherein said statistical means includes means for estimating the market demand curve and the price elasticity for an auction item or product or

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service for a plurality of demand data sources, and means for determining if an item or product or service is amenable to price discrimination based on said estimated demand curve and price elasticity." Once again, Freeny clearly does not address auction methodologies or auction systems. The Office Action states that "the demand curves taught by Freeny, Jr. inherently provide price elasticity based on the results of the auctions for a plurality of products and a plurality of quantities." However, how can Freeny possibly teach or suggest this either explicitly or implicitly if Freeny does not discuss auctions in any manner? That is, Freeny has nothing to do with auctions as admitted on line 23, page 2 of the October 21, 2004 Office Action.

Therefore, Freeny cannot inherently teach auctions either. The Office Action takes as Official Notice that these concepts are well known. However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 7, 26, and 45 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 7, 26, and 45.

Claims 9, 28, and 47 generally provide, "wherein said means for estimating the market demand curve is by considering the fractional demand at a particular price, the fraction of population that is willing to pay the price, computing the product of the fractional demand and the demand at zero price i.e. the size of the market willing to buy the product at zero price." The Office Action takes as Official Notice that these concepts are well known. However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 9, 28, and 47.

Claims 10, 29, and 48 generally provide, "means for suggesting the discounting of a substitute of the product or item or service being auctioned." The Office Action takes as Official Notice that these concepts are well known. However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 10, 29, and 48.

Claims 11, 30, and 49 generally provide, "wherein said item being auctioned is a competitor's item and the substituted product is promoter's own." The Office Action takes as Official Notice that these concepts are well known. However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully

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requested to reconsider and withdraw the rejections to claims 11, 30, and 49.

Claims 13, 32, and 51 generally provide, "suggesting discounting of a cross selling or an up selling product to the product being auctioned." However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 13, 32, and 51.

Claims 14, 33, and 52 generally provide, "wherein said means for estimating the demand curve uses the winning bid and the highest bids of all the bidders for the case of open-cry or ascending auctions while for the descending auctions namely, Dutch auctions only the winning bid is used." However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 14, 33, and 52.

Claims 15, 34, and 53 generally provide, "wherein said means for estimating the market demand curve for an individual item uses demand data where multiple units of items are auctioned." However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 15, 34, and 53.

Claims 16, 35, and 54 generally provide, "wherein said means for estimating market demand curve uses the quantity demanded by an individual buyer at various price levels." However, as discussed above, Appellants traverse the manner in which the Official Notice is taken. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 16, 35, and 54.

Claims 18, 37, and 56 generally provide, "means for the user to configure the sources of online demand data as well as the parameters for conducting online auctions on a plurality of products on specified URLs." First, Freeny does not teach auction methodologies or auction systems. Second, Godin would not be combinable with Freeny for the reasons previously discussed in section VIII. B. 1. above. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 18, 37, and 56 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 18, 37, and 56.

Claims 8, 27, and 46 generally provide, "wherein said promotion scheme parameters include the collection of items or products or services to be discounted, the amount of discount,

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the nature of discount, market segment for the promotion scheme, duration of promotion scheme and identification of methods of offering the scheme." However, neither Freeny nor Godin discuss market segments. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 8, 27, and 46 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 8, 27, and 46.

Claims 12, 31, and 50 generally provide, "wherein the means for obtaining the demand data includes the ability to cover multiple market segments and suggest a promotion scheme targeted at different market segments. However, neither Freeny nor Godin discuss multiple market segments. Therefore, neither Freeny nor Godin teach all of the elements of dependent claims 12, 31, and 50 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claims 12, 31, and 50.

Claim 43 generally reiterates the features of claim 39. Therefore, for the reasons previously discussed in section VIII. B. 1. above, Freeny in view of Godin does not teach the features of claim 43. Therefore, the Board is respectfully requested to reconsider and withdraw the rejection to claim 43.

Claim 58 generally provides, "wherein the system is extended to learn about the state of online markets by mining information from current and past operations of similar online markets in order to devise differential strategies for various market segments." However, there is no supporting teaching in either Freeny or Godin of the features taught in claim 58. Case law establishes that an obviousness rejection is improper if specific claimed features are not taught in the prior art, but are instead rejected on inherency. See generally, In re Spormann, 363 F.2d 444, 448, 150 USPQ 449, 452 (C.C.P.A. 1966). Thus, the obviousness rejection based on inherency for claim 58 is improper. Therefore, the Board is respectfully requested to reconsider and withdraw the rejection to claim 58.

Claim 59 generally provides, "wherein said system is also used to provide for implementing optimal inventory management." The Office Action on page 4, lines 11-13 indicates that Freeny's system monitors inventory levels and can adjust pricing accordingly. However, "optimal inventory management" does not simply refer to price adjustments according to inventor levels. Rather, "optimal inventory management" may refer to raw materials, purchased parts and supplies, labor, partially completed (in-process) products, component parts,

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working capital, tools, machinery, equipment, and finished goods, etc. Thus, the overly broad generalization that "optimal inventory management" simply equates to monitoring inventory levels and adjusting pricing accordingly is incorrect and improper. Therefore, the Board is respectfully requested to reconsider and withdraw the rejection to claim 59.

Claim 60 generally provides, "wherein said system is integrated with an online electronic coupon generation system to provide a complete system for issuing of redeemable electronic coupons." Clearly, the "system" which is being integrated with the online electronic coupon generation system is a system that has the ability to retrieve auction data from online auctions. However, Freeny does not teach auction methodologies or systems. Thus, the system of claim 60 is patentably distinct from the system in Freeny. Therefore, the Board is respectfully requested to reconsider and withdraw the rejection to claim 60.

Claim 61 generally provides, "wherein a generated market demand curve and said promotion scheme parameters are used to provide a data discovery service to a plurality of buyers in various market segments who use it for generating redeemable electronic coupons for their products or services." However, neither Freeny nor Godin discuss various market segments. Therefore, neither Freeny nor Godin teach all of the elements of dependent claim 61 contrary to the broad assertion in the Office Action. Therefore, the Board is respectfully requested to reconsider and withdraw the rejections to claim 61.

In view of the foregoing, the Appellants respectfully submit that the cited prior art references do not teach or suggest the features defined by dependent claims 2-5, 7-18, 21-24, 26-37, 40-43, 45-56, and 58-61 and as such, dependent claims 2-5, 7-18, 21-24, 26-37, 40-43, 45-56, and 58-61 are patentable over Freeny alone or in combination with Godin or with Godin and concepts identified under Official Notice.

## IX. CONCLUSION

In conclusion, the prior art references of record, either alone or in combination with one another, fail to teach essential elements of the Appellants' claimed invention. In many instances, there appears to be an unnecessarily broad interpretation of the prior art references as indicated in the Office Action. As indicated above, regardless of how each of the prior art references are interpreted they still fail to teach the Appellants' claimed invention as the prior art references either teach away from the Appellants' claimed invention, are contrary to the Appellants'

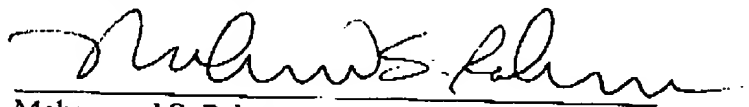
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claimed invention, or all together are bereft of any teaching whatsoever of the elements provided in the Appellants' claimed invention.

In fact, each prior art reference cited by the Examiner is complete and functional in itself, so there is simply no motivation to use parts from or add or substitute parts to any reference to try and teach, but failing nonetheless, the claimed invention. Moreover, because the references take mutually exclusive paths and reach different solutions to a similar problem, they essentially teach away from each other, and thus it would not be logical for one of ordinary skill in the art to combine them. However, even if the references were legally combinable, as indicated above, the references would not teach the claimed invention because several claimed features are lacking in the prior art references. Furthermore, the several rejections based on Official Notice are demonstrated to be improper because the Examiner has failed to provide documented evidence in support of the precepts taken in Official Notice as previously requested by the Appellants.

In view of the foregoing, Appellants submit that claims 1-5, 7-18, 20-24, 26-37, 39-43, 45-56 and 58-61, all the claims presently pending in the application, are patently distinct from the prior art of record and are in condition for allowance. The Board is respectfully requested to cancel all of the rejections to the claims and to pass the application to issue. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,



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## APPENDIX

1. (Previously Presented) A computing system comprising at least one processor, associated memory, storage and input/output devices, said computing system being connected to a network of computing systems and being used to generate promotional scheme parameters for electronic coupons, said computer system comprising:

means for automatically obtaining market demand data from defined sources of online auctions,

means for conducting online actions using defined parameters for specified goods and/or services for getting market information, wherein said parameters comprise non-quantitative attributes comprising cultural attributes of bidders of said online auctions,

means for storing and analyzing the data obtained from said online auctions or said conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons, wherein said means for storing and analyzing the demand data is a statistical means that generates the promotion scheme parameters for different market segments and receives the data from an electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve generation of said promotion scheme parameters, and

means for generating said redeemable electronic coupons.

2. (Previously Presented) The system of claim 1, wherein the means for obtaining demand data from online auction includes ability to access different types of auctions including sealed-bid auctions, open-cry auctions, Dutch auctions and reverse auctions.

3. (Previously Presented) The system of claim 2, wherein said means for obtaining the demand data from online auctions is through software means to start capturing the demand data from the time the auction starts to the time it ends.

4. (Previously Presented) The system of claim 1, wherein the demand data comprises of the names of products or services being auctioned, the bids from a plurality of bidders participating in an auction, the reserve prices of the auction, the duration of the auction, the total number of bids received for each product or service, market segment of the bidders.

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5. (Previously Presented) The system of claim 1, wherein the demand data further includes the information specific to particular auction types including the opening price and the successive decrements in case of descending ("Dutch") auctions.
6. (Canceled).
7. (Previously Presented) The system of claim 6, wherein said statistical means includes:  
means for estimating the market demand curve and the price elasticity for an auction item or product or service for a plurality of demand data sources, and  
means for determining if an item or product or service is amenable to price discrimination based on said estimated demand curve and price elasticity.
8. (Previously Presented) The system of claim 6, wherein said promotion scheme parameters include the collection of items or products or services to be discounted, the amount of discount, the nature of discount, market segment for the promotion scheme, duration of promotion scheme and identification of methods of offering the scheme.
9. (Previously Presented) The system of claim 7, wherein said means for estimating the market demand curve is by considering the fractional demand at a particular price, the fraction of population that is willing to pay the price, computing the product of the fractional demand and the demand at zero price i.e. the size of the market willing to buy the product at zero price.
10. (Previously Presented) The system of claim 8, further comprising means for suggesting the discounting of a substitute of the product or item or service being auctioned.
11. (Previously Presented) The system of claim 10, wherein said item being auctioned is a competitor's item and the substituted product is promoter's own.
12. (Previously Presented) The system of claim 2, wherein the means for obtaining the demand data includes the ability to cover multiple market segments and suggest a promotion

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scheme targeted at different market segments.

13. (Previously Presented) The system of claim 8, further including means for suggesting discounting of a cross selling or an up selling product to the product being auctioned.
14. (Previously Presented) The system of claim 9, wherein said means for estimating the demand curve uses the winning bid and the highest bids of all the bidders for the case of open-cry or ascending auctions while for the descending auctions namely, Dutch auctions only the winning bid is used.
15. (Previously Presented) The system of claim 9, wherein said means for estimating the market demand curve for an individual item uses demand data where multiple units of items are auctioned.
16. (Previously Presented) The system of claim 7, wherein said means for estimating market demand curve uses the quantity demanded by an individual buyer at various price levels.
17. (Previously Presented) The system of claim 9, wherein said means for estimating the market demand curve information from the online auctions is used to determine the decrement size in a descending or Dutch auction.
18. (Previously Presented) The system of claim 1, further including means for the user to configure the sources of online demand data as well as the parameters for conducting online auctions on a plurality of products on specified URLs.
19. (Canceled).
20. (Previously Presented) A method for generating promotional scheme parameters using electronic coupons, characterized in that it includes:
  - automatically obtaining market demand data from defined sources of online auctions,
  - conducting online auctions using defined parameters for specified goods and/or services,

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wherein said parameters comprise non-quantitative attributes comprising cultural attributes of bidders of said online auctions,

storing and analyzing the market demand data obtained from said online auctions or said conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons, wherein storing and analyzing of the demand data is by a statistical method that generates the promotion scheme parameters for different market segments, and wherein storing and analyzing the demand data receives the data from an electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve generation of said promotion scheme parameters, and  
generating said redeemable electronic coupons.

21. (Previously Presented) The method of claim 20, wherein obtaining demand data from online auction includes ability to access different types of auctions such as sealed-bid auctions, open-cry auctions, Dutch auctions and reverse auctions.
22. (Previously Presented) The method of claim 21, wherein obtaining the demand data from online auctions is through software to start capturing the demand data from the time the auction starts to the time it ends.
23. (Previously Presented) The method of claim 20, wherein the demand data comprises of the names of products or services being auctioned, the bids from a plurality of bidders participating in an auction, the reserve prices of the auction, the duration of the auction, the total number of bids received for each product or service, market segment of the bidders.
24. (Previously Presented) The method of claim 20, wherein the demand data further includes the information specific to particular auction types such as the opening price and the successive decrements in case of descending ("Dutch") auctions.
25. (Canceled).
26. (Previously Presented) The method of claim 25, wherein said statistical method includes:

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estimating the market demand curve and the price elasticity for an auction item or product or service from a plurality of demand data sources, and

determining if an item or product or service is amendable to price discrimination based on said estimated demand curve and price elasticity.

27. (Previously Presented) The method of claim 25, wherein said promotion scheme parameters include the collection of items or products or services to be discounted, the amount of discount, the nature of discount, market segment for the promotion scheme, duration of promotion scheme and identification of methods of offering the scheme.

28. (Previously Presented) The method of claim 26, wherein estimating of the market demand curve is by considering the fractional demand at a particular price, the fraction of population that is willing to pay the price, computing the product of the fractional demand and the demand at zero price i.e. the size of the market willing to buy the product at zero price.

29. (Previously Presented) The method of claim 27, further comprising suggesting the discounting of a substitute of the product or item or service being auctioned.

30. (Previously Presented) The method of claim 29, wherein said item being auctioned is a competitor's item and the substituted product is promoter's own.

31. (Previously Presented) The method of claim 21, wherein obtaining of the demand data includes the ability to cover multiple market segments and suggest a promotion scheme targeted at different market segments.

32. (Previously Presented) The method of claim 27, further comprising suggesting discounting of a cross selling or an up selling product to the product being auctioned.

33. (Previously Presented) The method of claim 28, wherein estimating of the demand curve uses the winning bid and the highest bids of all the bidders for the case of open-cry or ascending auctions while for the descending auctions namely, Dutch auctions only the winning bid is used.

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34. (Previously Presented) The method of claim 28, wherein estimating of the market demand curve for an individual item uses demand data where multiple units of items are auctioned.
35. (Previously Presented) The method of claim 26, wherein estimating of market demand curve uses the quantity demanded by an individual buyer at various price levels.
36. (Previously Presented) The method of claim 28, wherein estimating of the market demand curve information from the online auctions is used to determine the decrement size in a descending or Dutch auction.
37. (Previously Presented) The method of claim 20, further including method for the user to configure the sources of online demand data as well as the parameters for conducting online auctions on a plurality of products on specified URLs.
38. (Canceled).
39. (Previously Presented) A computer program product comprising computer readable program code stored on computer readable storage medium embodied therein for causing a computer to generate promotional scheme parameters using electronic coupons comprising:
- computer readable program code means configured for automatically obtaining market demand data from defined sources of online auctions,
  - computer readable program code means configured for conducting online auctions using defined parameters for specified goods and/or services, wherein said parameters comprise non-quantitative attributes comprising cultural attributes of bidders of said online auctions,
  - computer readable program code means configured for storing and analyzing the data obtained from said online auctions or said conducted auctions to estimate demand and calculate promotion scheme parameters for issue of redeemable electronic coupons, wherein said computer readable program code means configured for storing and analyzing of the demand data is a computer readable program code means that generates the promotion scheme parameters for

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different market segments, and wherein storing and analyzing the demand data receives the data from an electronic coupon issuing system as a feedback in order to dynamically learn, adapt and improve generation of said promotion scheme parameters, and

computer readable program code means configured for generating said redeemable electronic coupons.

40. (Previously Presented) The computer program product of claim 39, wherein said computer readable program code means configured for obtaining demand data from online auction includes ability to access different types of auctions such as sealed-bid auctions, open-cry auctions, Dutch auctions and reverse auctions.

41. (Previously Presented) The computer program product of claim 40, wherein said computer readable program code means configured for obtaining the demand data from online auctions is through software to start capturing the demand data from the time the auction starts to the time it ends.

42. (Previously Presented) The computer program product of claim 39, wherein the demand data comprises of the names of products or services being auctioned, the bids from a plurality of bidders participating in an auction, the reserve prices of the auction, the duration of the auction, the total number of bids received for each product or service, market segment of the bidders.

43. (Previously Presented) The computer program product of claim 39, wherein said computer readable program code means configured for storing and analyzing the demand data is a statistical computer readable program code means that generates the promotion scheme parameters for different market segments.

44. (Canceled).

45. (Previously Presented) The computer program product of claim 44, wherein said statistical computer readable program code means includes:

computer readable program code means configured for estimating the market demand

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curve and the price elasticity for an action item or product or service from a plurality of demand data sources, and

computer readable program code means configured for determining if an item or product or service is amenable to price discrimination based on said estimated demand curve and price elasticity.

46. (Previously Presented) The computer program product of claim 44, wherein said promotion scheme parameters include the collection of items or products or services to be discounted, the amount of discount, the nature of discount, market segment for the promotion scheme, duration of promotion scheme and identification of methods of offering the scheme.

47. (Previously Presented) The computer program product of claim 45, wherein said computer readable program code means configured for estimating the market demand curve is by considering the fractional demand at a particular price, the fraction of population that is willing to pay the price, computing the product of the fractional demand and the demand at zero price i.e. the size of the market willing to buy the product at zero price.

48. (Previously Presented) The computer program product of claim 46, further comprising computer readable program code means configured for suggesting the discounting of a substitute of the product or item or service being auctioned.

49. (Previously Presented) The computer program product of claim 48, wherein said item being auctioned is a competitor's item and the substituted product is promoter's own.

50. (Previously Presented) The computer program product of claim 40, wherein the computer readable program code means configured for obtaining the demand data includes the ability to cover multiple market segments and suggest a promotion scheme targeted at different market segments.

51. (Previously Presented) The computer program product of claim 46, further including computer readable program code means configured for suggesting discounting of a cross selling

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or an up selling product to the product being auctioned.

52. (Previously Presented) The computer program product of claim 47, wherein said computer readable program code means configured for estimating the demand curve uses the winning bid and the highest bids of all the bidders for the case of open-cry or ascending auctions while for the descending auctions namely, Dutch auctions only the winning bid is used.

53. (Previously Presented) The computer program product of claim 47, wherein said computer readable program code means configured for estimating the market demand curve for an individual item uses demand data where multiple units of items are auctioned.

54. (Previously Presented) The computer program product of claim 45, wherein said computer readable program code means configured for estimating market demand curve uses the quantity demanded by an individual buyer at various price levels.

55. (Previously Presented) The computer program product of claim 47, wherein said computer readable program code means configured for estimating the market demand curve information from the online auctions is used to determine the decrement size in a descending or Dutch auction.

56. (Previously Presented) The computer program product of claim 39, further including computer readable program code means configured for the user to configure the sources of online demand data as well as the parameters for conducting online auctions on a plurality of products on specified URLs.

57. (Canceled).

58. (Previously Presented) The system of claim 1, wherein the system is extended to learn about the state of online markets by mining information from current and past operations of similar online markets in order to devise differential strategies for various market segments.

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59. (Previously Presented) The system of claim 1, wherein said system is also used to provide for implementing optimal inventory management.

60. (Previously Presented) The system of claim 1, wherein said system is integrated with an online electronic coupon generation system to provide a complete system for issuing of redeemable electronic coupons.

61. (Previously Presented) The system of claim 1, wherein a generated market demand curve and said promotion scheme parameters are used to provide a data discovery service to a plurality of buyers in various market segments who use it for generating redeemable electronic coupons for their products or services.

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